Stars shine for New York

The new edition of the familiar "I Love New York" ad campaign brings together a group of celebrities that probably never will be seen together under one roof, let alone appear together again in a single commercial. Gregory Peck, Liza Minnelli, Mikhail Baryshnikov, Henry Kissinger, Cher and other celebrities—along with cast members from some of Broadway's hottest shows—are shown in different parts of the city as the campaign, created by Wells, Rich, Greene, expands the familiar "Broadway" theme that has been the centerpiece of the spot. It breaks in February but is seen in only 10 East Coast markets. The advertising is seen elsewhere through co-op efforts with major airlines.

Swift brands shift; FCB out

By JANET NEIMAN

CHICAGO—Esmark's dry grocery group named Dailey & Associates, Los Angeles, for its Peter Pan peanut butter account and Ketchum Advertising, San Francisco, for its Soup Starter and Stew Starter assignments.

All three lines have been at Foote, Cone & Belding since 1980. The agency has no more Esmark business.

The agency appointments for those three Swift & Co. brands are believed to be initial steps in a series of marketing changes that could continue this week, when marketing department management and a new name for the group are expected to be announced.

Swift & Co.'s dry grocery operations, including marketing groups for Peter Pan peanut butter, Soup Starter and Stew Starter, are being consolidated at the Fullerton, Cal., headquarters of Esmark's Hunt-Wesson unit (AA, Dec. 5).

Hunt-Wesson's Reddi Wip instant whipped cream business is moving to Swift's frozen desserts and cheese group, based in Oak Brook, Ill., where the Swift processed meats business also remains.

The small Reddi Wip advertising account, estimated at under $300,000, could be moved to another agency—possibly in the Midwest—as a result of the business' locational change. A spokesman for the dry grocery

(Continued on Page 84)

Super Bowl, spillover give lift to CBS

By JAMES P. FORKAN

NEW YORK—Blockbuster sports dominated network tv last week in the form of CBS' Super Bowl ratings, ABC's scheduling of Winter Olympics events and ABC's acquisition of the 1988 Calgary winter rights. *(See related story, Page 88.)*

CBS hog-tied its rivals with the Super Bowl ratings the way the Raiders did the Redskins on the field. Until Super Sunday, ABC had the 17th week's highest-rated show with "American Music Awards." When that night was over, however, the game, postgame show and "60 Minutes" each had surpassed the award show.

While the one-sided Super Bowl XVIII was outscored by four previous bowl telecasts in ratings (although only two had more tv homes), its prime time spillover lifted CBS to a 19.8 Nielsen rating average for the week, 2.9 points ahead of runner-up ABC.

Averaging a 46 rating/67 share in prime time alone (down from NBC's 49.5 rating/68 share a year ago), the game was expected to rack up a 46.5/68, with an estimated 104 million viewers watching all or part of the coverage.

Confirming that millions tuned out in the third quarter as the Raiders scalped the Redskins, the prime time Nielsens showed the event slipping from a 47.6/70 between 7 p.m. and 7:30 p.m., to a 46/66 from 7:30 p.m. to 8 p.m. and to 43.4/62 from 8 p.m. to its 8:20 p.m. end.

Besides being a $4 million-plus focal point of Chevrolet's 1984 campaign, the opener for Eastern Air Lines' newest campaign and the launching pad for IBM's PCjr computer and Apple's Macintosh computer, Super Bowl XVIII also gave CBS' "Airwolf" midseason

(Continued on Page 88)

UNESCO pullout threatens industry

By DENNIS CHASE

NEW YORK—A key U.S. delegate to the United Nations Educational, Scientific and Cultural Organization warned last week that the proposed pullout of the U.S. from the organization could mean new restrictions on the press and advertising, and new regulation of multinational marketers.

Edmund P. Hennelly, head of the U.S. delegation to the November, 1983, UNESCO general conference in Paris (AA, Oct. 24), said if the U.S. pulls out "you've got to assume the worst."

Speaking to the U.S. Council for International Business here, he said that "in a moment of pique" the Paris-based UNESCO could approve a "New World Information and Communications Order" that publishers worldwide have been opposing strongly.

Nestle infant-formula boycott ends. See Page 86.

NWICO is a concept from underdeveloped countries that imposes government censorship of the press and advertising in those countries. It also would require the licensing of journalists and impose an international code of journalistic ethics.

Mr. Hennelly, who is general manager of public affairs, Mobil Oil Corp., said if the measure passes, western journalists "won't be able to use a telephone" in those countries.

If the U.S. pulls out, which the Reagan administration says it will do unless UNESCO changes structurally and philosophically, then the U.S. business community will have to find ways to stop such damaging UNESCO moves, he said.

He said the most likely remedy for "the U.S. business community getting its views into those forums [is] through the western members [of UNESCO], because I'm assuming we're not going back."#

highlights

Monday, January 30, 1984

Benihana of Tokyo is bringing its restaurant foods to the supermarket. *See Page 6.*

Kraft Inc. is seeking a court injunction to stop former employe Norman E. Ross from working on any Beatrice Foods Co. products that compete with Kraft. *See Page 10.*

Pfizer Laboratories has denied charges that it threatened to withdraw advertising from the *Journal of the American Medical Assn. See Page 12.*

The presidential campaign package has attracted votes of confidence from a number of advertisers. *See Page 26.*

Two top General Motors executives talk about changes that will result from the company's restructuring. *See Page 37.*

Gillette Co. and Scripto slate new roller pens for back-to-school selling period. *See Page 38.*

Norman Raben leaves entrepreneurial Goldhirsh Group to become a magazine entrepreneur. *See Page 64.*

Distilled spirits continued their volume decline in 1983, for the fourth consecutive year. *See Page 68.*

CORPORATE CLOSEUP

Polaroid Corp. is bringing its technological expertise to areas previously ignored by introducing lines of flexible discs and videotape. *See Page 4.*

INTERNATIONAL

The U.K.'s Independent Broadcasting Authority, which examines tv commercials before they go on the air, is refusing to give clearance to a 30-second spot for the elections for the European Parliament. *See Page 52.*

Tv stations in Thailand and advertising agencies next month will consider scrapping their diary-based tv audience measurement system for a meter-based system. *See Page 54.*

One month after the monopoly charges against Canada's Thomson Newspapers and Southam Inc. were dropped, Canadian publishers are claiming a big victory. *See Page 55.*

VIDEOTECH

CBS is confident that it will emerge as the ratings winner at the end of the 1983-84 season. *See Page 56.*

NBC Entertainment president Brandon Tartikoff acknowledges that the network "missed the market" by basing programming decisions too heavily on research. *See Page 56.*

Many major tv syndicators may pull out of the industry's premiere conventions next year because of the scheduling of the events. *See Page 60.*

MAGAZINE

Edward Meyer talks about his rise from Bloomies to the top at Grey Advertising in the latest of Bart Cummings' "Benevolent Dictators" interviews with leading advertising executives. *See Page M-4.*

Newspapers: The press may be viewed more critically today than at any other time in history, but it is doing more to combat its image problem than ever before. *See Page M-9.*

What ever happened to the rules for shooting car commercials, such as never shoot the car through the trees, or never shoot in the rain? *See Page M-52.*

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Vol. 55, No. 5—ADVERTISING AGE (ISSN 0001-8899) is published weekly except semi-weekly the last week in March, the second week in September at 740 Rush Street, Chicago, IL 60611. Second-class postage paid at Chicago and additional mailing offices. Send address changes to ADVERTISING AGE, Circulation Department, 740 Rush Street, Chicago, IL 60611.

Microfilm copies are available from University Microfilms, 300 N. Zeeb Rd., Ann Arbor, Mich. 48013. Microfiche copies are available from Bell & Howell, Micro Photo Division, Old Mansfield Rd., Wooster, O. 44691.

Sharp sets review for $20 million

By ROBERT RAISSMAN

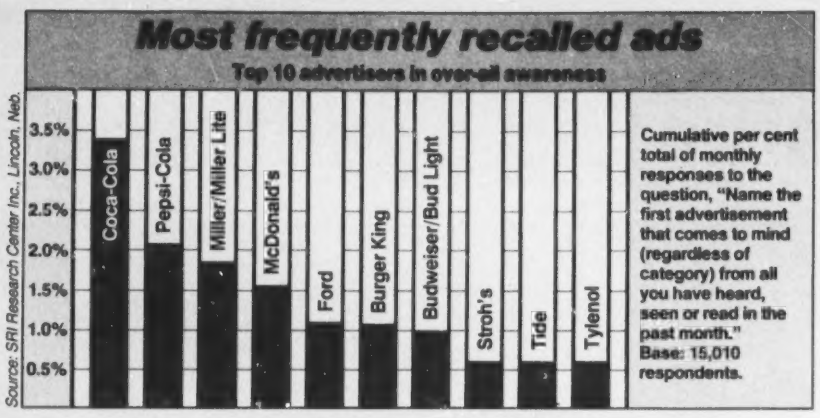
Sharp Electronics, looking to link its two divisions through one central ad campaign, will conduct a review of its $20 million account.

The company's industrial equipment division now is at Rosenfeld, Sirowitz & Lawson, while the consumer electronics division is handled by Isidore Lefkowitz Elgort. Dan Infanti, manager of marketing communications, Sharp consumer electronics, said the incumbents will be included in the review.

Mr. Infanti said the company was happy with both its current campaigns, but the growth in Sharp's product line has caused them to rethink strategy. "We need more of a corporate advertising thrust," he said. "We've made a lot of progress the past couple of years. But over the next four or five years we want our advertising to be as strong as it can be. That means tying everything together."

Mr. Infanti predicted that over the short term there would not be a dramatic change in advertising for Sharp's products, "but we will do what we must to continue to improve."

He said he expected the selection process to take two to three months.#



Beverages, fast-food tops in ad awareness

By SCOTT HUME

adWatch

Asked to name the first advertisement that came to mind, consumers last year were most likely to name one for a soft drink, fast-food restaurant or beer.

Cumulative responses from last year for adWatch, Advertising Age's exclusive monthly measurement of consumer advertising awareness, show these three categories have the highest recall levels. Advertising recall is measured by asking a nationally projectable sample of adults to name the first advertisement they recall seeing, hearing or reading in each of 18 product categories during the preceding 30 days.

Relatively few of the 15,000 consumers polled during 1983 had trouble recalling advertising for a soft drink, fast-food restaurant or beer.

Asked to name the first advertisement that came to mind, regardless of product category, consumers most often named Coca-Cola, Pepsi-Cola, Lite beer from Miller, McDonald's, Ford, Burger King, Budweiser or Budweiser Light, Stroh's,

(Continued on Page 77)

Commodore plugs in Anametrics shop

By ROBERT RAISSMAN

The cloudy advertising picture at Commodore International became clear as the company turned to Anametrics Services Inc., a subsidiary of Anametrics Inc., to be its agency of record for the U.S. portion of its account.

The worldwide budget will be in excess of $100 million in 1984, sources report; U.S. spending will be $70 million, with $60 million of that going to tv.

Steven Greenberg, president of Anametrics Services, said ASI was specifically set up to handle Commodore's U.S. advertising needs.

A few Commodore assignments have been made, he said, including the selection of Dick Rich Inc., New York, to handle creative for tv and Clifford Botway Inc. for media buying and placement. Another agency will be picked to handle print ads and other projects.

Sources close to the Wayne, Pa.-based company said Anametrics Inc. has been Commodore's investment and business advisor since 1977. Irving Gould, Commodore's chairman, brought Anametrics into the picture.

The sources said that since 1977, Mr. Greenberg has been "directly involved" with all agency selections made by the company. He was instrumental in selecting Kornhauser & Calene in 1981, and was responsible for bringing Ally & Gargano to Commodore in 1982. The account was taken away from A&G last summer (AA, Aug. 1). Al Paul Lefton Co., Philadelphia, had the account for about three months in 1980, turning it over to Levine, Huntley, Schmidt, Plapler & Beaver (now Levine, Huntley, Schmidt & Beaver) in October, 1980. Levine lost it to K&C in mid-'81.

In 1983, Mr. Greenberg said, Commodore spent $63.6 million in worldwide advertising, up from $23 million in 1982. He declined to give any breakdown of the 1984 budget. A number of agencies split the Commodore business outside the U.S.

He declined to specify why Commodore was taking this new approach, but sources said it was looking for "more flexibility" in advertising. "They can react to the market quicker by dealing with small organizations than a large, full-service agency," commented a source familiar with the situation.

The move to delegate full responsibility to ASI comes on the heels of the resignation of Jack Tramiel, Commodore's chief executive officer. He had been involved in the approval of all ad matters. Myrddin Jones, vp-marketing, also has left, apparently to take a position with Sperry Corp. Jim Dionne, vp-sales and marketing, assumes Mr. Jones' duties.

As for the selection of Rich, Mr. Greenberg pointed to Mr. Rich's success in creating memorable campaigns for Wendy's, Benson & Hedges cigarets and Alka-Seltzer. Mr. Rich was a founder of Wells, Rich, Greene.

"There is no doubt in my mind that this will be his fourth [memorable campaign]," said Mr. Greenberg. He expects a new Commodore tv campaign to break this spring.#

world news roundup

Ottawa—A Canadian government ad campaign has come under fire from opposition members of Parliament, who say the $8.8 million campaign is thinly disguised propaganda for Prime Minister Pierre Trudeau's Liberal party. Agency is Vickers & Benson, Toronto.

Paris—Coca-Cola Co.'s Sprite and Philip Morris Inc.'s 7UP are being launched simultaneously in France next month. Sprite's agency is McCann-Erickson, and Leo Burnett Co. handles 7UP. Budgets are about $700,000 each.

New York—Grey Advertising will launch its own European corporate ad campaign next month, touting the agency's ability to develop a "brand character" for marketers' products. Ads will run in the *Financial Times*, *Wall Street Journal/Europe* and other business publications abroad and eventually in the U.S.

Seoul—The South Korean government is considering a 40% tax in the form of custom duties on advertising for soft drinks and cosmetics. The proposal calls for ad spending to be added on to the price of imports when they are declared at customs.

London—Saatchi & Saatchi is merging three of its shops into one with billings of $60 million. Crawfords, London, is merging with Hall

(Continued on Page 55)

Pertschuk blisters FTC on sweepstakes

Kids' ads inaction ripped

By RICHARD L. GORDON

Washington—Federal Trade Commission member Michael Pertschuk claims the commission's refusal to act against sweepstakes advertising to children is an example of how its new policy toward deception is resulting in less public protection.

His prime example in a memo circulated within FTC last week was the staff's handling of a Quaker Oats commercial for Cap'n Crunch cereal that offered Atari home video systems as prizes for kids who collected "Crunch money."

No action was recommended against Quaker in a staff memo written last year, although Quaker research reviewed by FTC staff lawyers indicated a "majority" of children aged six to 12 misunderstood a key disclosure meant to tell them they could enter the contest without buying the cereal. Among 6-to-8-year-olds, 80% tested thought they had to buy the product to have a chance of winning, the staff memo said.

The case was one of seven children's ad cases which Action for Children's Television brought to FTC, including two on sweepstakes. All were rejected by FTC's staff.

Commissioner Pertschuk's memo is the latest volley in an intramural fight wherein he and commissioner Pat Bailey contend that tougher case-selection standards recently disclosed by FTC's new, more conservative majority are screening out cases which the commission should be accepting.

The rationale for taking no action in the Quaker case, according to a staff memo, was that the Quaker research showed "an appreciable number" of children, more than a third tested, properly understood that no purchase was required to enter the contest. A voiceover disclosure at the close of the spot said, "for bills without purchase, write. . ."

The staff further argued that "potential economic injury" only would occur if parents bought the cereal solely for the contest. That could be avoided because the con-

(Continued on Page 81)

'WSJ' not-so-quietly changing its ways

By STUART EMMRICH

New York—In a rapidly aging, nondescript building on a cramped street in downtown Manhattan, the editors of the *Wall Street Journal* are doing what many business people consider the unthinkable: Tinkering with success.

For years, the *Wall Street Journal* has represented unparalleled achievement in American journalism. It is the largest-selling paper in the country with 2 million circulation; it earned about $58 million in 1982, approximately two-thirds of the profits generated by parent Dow Jones & Co., and its 64 pages (soon to grow to 68) cannot contain all the advertisers that want to appear in the paper.

But despite that enviable record, the *Journal*—to the surprise of many outsiders—is now in the process of refining and redefining much of what it has traditionally done over the years. The person who is shaking things up at this 101-year-old institution is its new managing editor, Norman Pearlstine.

"Norm got a blank check when he came in and he's cashing it in," says one Dow Jones executive.

Since he took over that post Sept. 1, Mr. Pearlstine has hired approximately 40 new staffers, appointed three new assistant managing editors, reorganized the copy desk, developed a network of industry editors to coordinate coverage of related beats, moved forward plans to open additional bureaus around the country, added new areas of coverage to the paper's beat system, shifted many of the reporters' beat assignments and encouraged the use of larger graphics in the newspaper.

Those changes have not gone without criticism within the *Journal*, as some longtime

(Continued on Page 70)

Part of the new *WSJ* editorial management team: (L. to r.) Chuck Camp, senior editor; Glynn Mapes, page one editor; Stewart Pinkerton, assistant managing editor; Fred Zimmerman, second front editor; Norman Pearlstine, managing editor; Paul Steiger, assistant managing editor, and Nancy Cardwell, national news editor.

Photo by Daniel Kramer

Benihana aims at Le Menu, Cuisine

By NANCY GIGES

NEW YORK—Benihana of Tokyo is aiming to give Campbell Soup's Le Menu and Stouffer's Lean Cuisine a run for their money in the premium frozen entree business.

The restaurant chain is introducing a line of eight Oriental entrees here and in Los Angeles, spending at least $1 million in each market. Tv spots break today.

Surveys suggest company officials have reason to be highly optimistic, according to Gad Romann, chairman of Romann & Tannenholz, the agency for Benihana. Mr. Romann claims that figures on purchase intent and repeat purchases are among the highest he has ever seen.

Three tv spots use the umbrella theme, "We were either going to make them great, or we weren't going to make them at all."

One spot shows eight Oriental chefs concocting the recipes. The second stars Benihana founder Rocky Aoki, noting that previously people had to come to him to eat his food. "Now I'll come to you," he says.

The third spot features comedian James Coco talking about how he likes a variety of Oriental foods but doesn't want to look like a pig in a restaurant. Now he has the option of eating at home.

The items retail for $2.59 and $2.79 and include entrees such as sweet and sour chicken, sirloin pepper steak and oriental vegetables with shrimp.

Mr. Romann said surveys reveal that most Benihana frozen foods business will come from consumers already familiar with high-quality frozen foods such as Campbell's Le Menu and Stouffer's Lean Cuisine.

The entrees are positioned as restaurant classics; the ad exec claimed that the line must deliver the quality consumers expect from the restaurant to protect the franchise the company has in that field. He noted that the premium frozen segment has no line of Oriental foods.

Plans call for expanding the line into two or three other markets by yearend and adding line extensions and new products quickly if the product is successful.#

Ward's sets test of specialty plan

By ROBERT REED

CHICAGO—Montgomery Ward & Co., which for the first time in five years has posted a profit, will continue its turnaround efforts by testing consumer response to Ward's as a specialty retailer, says president Stephen Pistner.

The Mobil Corp. subsidiary is evaluating a merchandising plan that Mr. Pistner calls "the seven worlds of Wards." Those include separate specialty stores set up within Ward's that concentrate on apparel, automotive, home electronics, home furnishings, appliances, recreation and leisure.

"These are specialty businesses [and] are to stand on their own within the confines of the fours walls of Ward's," he says. The plan now is being tested in a few of Ward's 327 units, and if results are favorable it will be integrated into more units.

Wards is just one of the major mass retailers that have recently revamped basic selling tactics through store redesign.

Sears, Roebuck & Co. is bringing on its "store of the future" where it is setting up "boutiques" for soft and hard-line goods within the major body of the Sears stores (AA, May 9). J.C. Penney Co. also has become more departmentalized.

But Ward's approach is "very different," says Mr. Pistner. "It does not compare in word or deed with the 'store of the future' or the 'store within a store' concepts."

To aid in this repositioning test, the company now has the cushion of profitability. For the first time since 1979 the retailer posted 1983 earnings of $40 million, a $133 million improvement over last year's loss of $93 million. Sales for the year reached a new high, surpassing $6 billion for the first time.

Like many retailers, Ward's had a strong fourth quarter because of holiday sales. It tallied sales of $2.08 billion and earnings of $53 million, making it the company's best fourth-quarter performance since 1978.

Mr. Pistner says his company's return to profitability can be attributed to a "progressive turnaround" strategy that has been under way since he came to Ward's in 1981 from Minneapolis-based Dayton-Hudson.

Mr. Pistner says the Ward's rebound results from a series of across-the-board changes, including shifts in merchandising, better quality control, revamping advertising and the rehabbing of some stores and the closing of others.#

NOBODY SERVES REPUBLIC LIKE WE DO.

When high-flying marketers like Republic Airlines want to get off the ground in Milwaukee, they drop in on us. With one simple advertising buy, they land a towering 76% of the Milwaukee market every day. No other newspaper in the top 30 markets delivers like that.

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The top combination in the top 30 markets.

Member Million Market Newspapers, Inc.
*Source: 1983 Scarborough National Newspaper Audience Study.

corrections & clarifications

- The name of Meshulam Riklis, Pia Zadora's husband, was misspelled in the Magazine story on the promotion of the actress (Jan. 23, P. M-4)
- Rydelle Laboratories is the over-the-counter drug division of S.C. Johnson & Son, Racine. An earlier item misspelled the name (AA, Jan. 23, P. 8).
- Gary Ennis, an art director at Marschalk Co., works on Stroh's "Alex the dog" commercials. His name was misspelled earlier (AA, Jan. 16, P. M-11).
- Myers's Original Rum Cream is marketed by Seagram Distillers Co., a division of Jos. E. Seagram & Sons (AA, Jan. 16, P. 2).
- Tomy Corp. will sponsor "The Get Along Gang" tv special in June, not Kenner in April, as reported earlier (AA, Jan. 23, P. 66). Also, the property is represented by American Greetings and Those Characters From Cleveland. The same story should have listed Ed Libov Associates, New York, as the "Herself the Elf" syndicator.
- *California Farmer* incorrectly reported its year-to-date ad linage figure for 1982. It should be 809.6 (AA, Jan. 16, P. 50).
- *Elks* was reported as having a combined December/January issue, although its figures were omitted in error. The figures reflecting the combined issue should have been 34.9 for this January and 35.4 for January, 1983 (AA, Jan. 23, P. 67).#

Socialists to auction newspapers

By HARRY DEBELIUS

MADRID—The Socialist government of Spain next month will begin selling off 21 of 22 newspapers which supported and were propped up by the fascist government of the late General Franco.

Seven state-owned newspapers will be sold at auction here on Feb. 21 and 22, and 14 others will be put up for sale between now and the end of May.

The chain of newspapers belonged to the National Movement, the only political organization tolerated under the late dictator.

Nonetheless, there is hardly a stampede among publishers to purchase the newspapers.

Most of the papers lose money and embarrass the authorities because of their history as propaganda devices. Six of the National Movement newspapers closed down early last year because they lost money, and the rest are not in much better shape.

Only one of the newspapers is destined to survive beyond next May. That one is a Madrid evening paper, *Pueblo*, which—according to the government—is in a special category since it belonged to Franco's state-run labor unions.

As a rule, the ex-movement papers, now lumped together in a department called Social Communications Media of the State, suffer from dwindling circulation, low advertising revenue, overstaffing and technical obsolescence.

EL PAIS

El Pais, Spain's largest newspaper, dwarfs the newspapers that the government is planning to sell.

It is expected that a number of them will not find buyers and will be closed down.

The biggest of the bunch, in terms of circulation, is the national sports daily *Marca*, but—as is the case in Spain with most publications dedicated exclusively to sports—advertisers are few.

In 1982, *Marca* lost $509,000, despite its average daily circulation of nearly 100,000.

By contrast, the largest newspaper in Spain, *El Pais*, has a circulation of about 500,000.#

Del Monte, China set deal

SAN FRANCISCO—Del Monte Corp. and the People's Republic of China have reached an agreement in which 10 Del Monte brand canned goods will be sold in Shanghai area tourist shops, hotels and guest houses.

In those locations Del Monte's products will be purchased by U.S. and other tourists, rather than by the average Chinese consumer.

The dollar value of the contract is small, points out Del Monte international president Robert D. Kroll, but the agreement marks another step in the growing relationship between the two countries.

In 1982, Del Monte developed an experimental farm near Shanghai; the company now is deciding if mainland China might be a good base of operations to produce food for export to markets in the Far East.

McCann-Erickson-Jardine (China) Ltd. will develop point-of-purchase material, ads and illuminated Del Monte signs for the Shanghai retail outlets.#

U.K. government pulls plug on latest EEC political ad

By EUGENE BACOT

LONDON—A political storm is breaking in the U.K. over tv commercials for this year's elections to the Parliament of the European Economic Community.

Britain's Independent Broadcasting Authority, which examines commercials before they go on the air, is refusing to give clearance to a 30-second spot for the elections, which are held throughout the 10-nation EEC in June.

That commercial, stressing the achievements of the EEC, includes a multicolored, rainbow EEC logo and carries the slogan (translated into seven EEC-nation languages), "Europe. United in democracy."

Set to break in February, the $6 million campaign urges the EEC's 190 million voting adults to go to the polls to elect the EEC's European Parliament

The series of EEC election commercials was to be screened in mid-January by more than 200 international delegates attending the Pan-European Advertising & Marketing Conference earlier this month.

But Chris Woollams, deputy managing director of McCormick Intermarco-Farner in the U.K., part of the agency group that created the ads, told the conference that legal objections prevented them from being shown.

Mr. Woollams said legal advisers to the IBA claimed the ads infringed on its code, which prohibits any political advertising on commercial tv. There still is a significant groundswell of opposition in the U.K. to that country's membership in the EEC.

An IBA spokeswoman said later that the group had approved a 10-second spot that said the elections were taking place.

But, she said, "After taking legal advice, we are unable to accept a longer commercial."

The EEC campaign is the first time the EEC has tried to run identical commercials in all 10 countries, from Denmark to Greece. Previous commercials for the election have been created on a country-by-country basis.

Sources say that the agency creating the campaign, Publicis Intermarco-Farner, was sensitive to British restrictions on political advertising and tried hard to skirt any suggestion of bias.

One delegate to the Pan-Europe conference said the campaign was bound to offend Britain's Labour party, which is opposed to Britain's EEC membership.

"I suppose they could argue that even voting for the European Parliament is political," he added.

The argument seems bound to grow because, according to one source, the European Parliament considers itself a "supranational" body that takes precedence over national laws.

But if the EEC tried to assert that position, it would create a political furor in the U.K.#

EEC media experts push for new limits on pan-Europe ads

By GARY YERKEY

BRUSSELS—The European Economic Community Commission's staff in charge of media plans to recommend strict controls on tv advertising aired across national borders next month, according to EEC sources (AA, Jan.23).

The controls, if approved by EEC governments, would ban tv advertising on Sundays and public holidays, set limits on the volume of advertising permitted on tv, lay down guidelines for the maximum length of ads, limit advertising to blocks and ban ads for certain harmful products, possibly including cigarets and alcohol.

EEC officials emphasized that the proposals, if approved, would not become law for many months—probably years.

But they admit to being under growing pressure from consumer organizations and some governments to set pan-European standards on tv advertising before the coming cable and satellite boom engulfs this side of the Atlantic.

Earlier this month, the Brussels-based European Bureau of Consumers Unions (BEUC), which represents consumer organizations in the 10 EEC countries, published a 138-page report ("The Impact of Satellite and Cable Television on Advertising"), demanding that the EEC approve new legislation "harmonizing" tv advertising standards throughout the community.

The bureau said that the EEC should:

- Reach agreement on the allowable volume of tv advertising and make general the practice of advertising in blocks.
- Limit the volume of sponsored programs and provide for "clear" distinctions between ads and programs."
- Limit testimonials and comparative ads.
- Forbid the interruption of children's programs with ads.
- Ban ads for tobacco, alcohol and certain pharmaceutical products.

One proposal calls for a statutory European Control Authority to arbitrate disputes.#

Uruguay: Latin America's favorite test market

By MARINA SPECHT

MONTEVIDEO—At first glance, most multinational marketers should have little interest in Uruguay, a distant, tiny country with a small consumer market.

But instead, the Uruguayan market is turning into a bigger attraction for multinational marketers and new-product launches than the country's big Argentine and Brazilian neighbors.

"International marketers like to use Uruguay as a test market for products they are thinking of introducing in other Latin American countries," says Elbio Acuna, president of Ogilvy & Mather affiliate Punto Publicidad.

"In a small market, losses are small, too," he says.

Beatrice Foods Co., one of Punto's main clients, entered Uruguay last year, buying up Pernigotti, a leading chocolate manufacturer.

Last month, the Chicago-based food marketer launched a line of cheese, peanut and chocolate-flavored snacks that were nonexistent in Uruguay and are proving to be a huge success, according to industry sources.

Beatrice's move in Uruguay may be a sign of its increasing interest in the whole Latin America region, where markets such as Argentina and Brazil are untapped.

"American Express and General Foods are two marketers planning to enter Uruguay this year," according to Mr. Acuna.

GF is expected to introduce Tang powdered drink mixes first, while American Express will operate through a local bank. Punto Publicidad—with 1983 billings of $1.5 million—is hoping to service both.

Further examples of adventurous test-marketing are Eastman Kodak's launch of its disc camera and film early last year via J. Walter Thompson Co. (a project that was called off in Argentina) and Ciba-Geigy Uruguayana's introduction of Zobel analgesic in 1982, with a $250,000 ad campaign via Grey Publicidad.

"Johnson & Johnson del Uruguay is expected to fight back with Tylenol this year," says Francisco Vernazza Munoz, president of Grey Uruguay.

J&J is one of the few lucky survivors of the big economic collapse of 1982, and, since it replaced imported feminine hygiene products with cheaper, locally produced brands, it has achieved a 65%-plus market share in that category.

The Uruguayan market is not an unmixed blessing, however. Although Uruguay is one of the few Latin American countries without import restrictions and a free currency exchange market—which earned it the nickname of "Latin American Switzerland" in business circles—a drastic currency devaluation in November, 1982, made imports expensive overnight.

At that time, the value of the peso dropped to 47 pesos to the dollar from 13 pesos. (It now is around 43.)

In 1983, total ad spending in Uruguay was down 60% from the record $113 million in 1981, while less than half of the 87 agencies that existed two years ago are still operating and real (adjusted for inflation) wages declined 30%.

Also, Uruguay's traditional No. 1 advertiser, Coca-Cola Co., made drastic cutbacks in ad spending last year, according to sources.

Half of Uruguay's top 10 agencies, however, have increased billings by 10% to 20% or are maintaining previous levels in local currency terms, mainly thanks to new accounts or additional assignments from multinational advertisers.

The biggest, Impetu Organizacion Publicitaria, with 1983 billings of $5.5 million, gained its lead over Lintas' affiliate, Corporacion Publicitaria, by buying Ferrero & Ricagna, a medium-size agency, in December, 1982.

Most Uruguayan ad executives this year are predicting an end to economic uncertainty.

The upcoming November elections are expected to end the decade-old Uruguayan military government.

Faced with growing opposition, it has come under pressure to return the country to civilian rule, following neighboring Argentina's return to democracy late last year.#

Uruguay's largest agencies

Agency	1983 billings ($ millions)
Impetu Organizacion Publicitaria	5.5
Corporacion Publicitaria Ltda. (Lintas affiliate)	3.0
Punto Publicidad (Ogilvy & Mather affiliate)	1.5
Grey Publicidad	1.2
Publicidad Oriental	NA

Source: ADVERTISING AGE *estimates*

Liquor sales kept staggering through '83

By JOHN C. MAXWELL JR.

Distilled spirits continued their volume decline in 1983, for the fourth consecutive year.

We are estimating this year's slide around 1.6%, compared with the 3.2% decline of 1982. However, if sales—particularly on-premise—continue as strong as they have been recently, we suspect that we may be a bit too pessimistic and that actual shipments may be down less than 1.6%.

The only areas that exhibited 1983 increases were liqueurs/cordials, U.S.-bottled Canadian, rum and some specialty items. Domestic whisky showed a decline of 5.3%, while imported whisky was down 1.3%, resulting in a drop of 3.2% for all whisky areas combined. The total nonwhisky area showed a slight drop of 0.2%, buoyed by increases in rum, brandy and tequila.

If the economy continues at its current pace, we expect domestic sales eventually to flatten. Our current 1984 outlook is for a continued over-all decline in domestic liquor sales, particularly in the brown package goods group, although at a lesser rate than in 1983.

Key influences that had an adverse impact on 1983 sales were:

- Higher excise taxes at the state level (at least 16 states have approved tax increases on liquor).
- Laws that raised the drinking age in several states.
- The lag factor of the economic recovery's effect on the liquor industry, which has prevented this area from turning around as quickly as many other sectors.

Four factors that we believe will be of concern to the industry in the near future are:

- The possibility of more tax increases. A federal tax increase on liquor cannot be ruled out. At least five more states have proposed tax increases for 1984.
- Continued lobbying by various consumer groups in Washington to raise the drinking age to 21 on a national basis, and other activities by groups such as MADD (Mothers Against Drunk Driving).
- Labeling and advertising restriction.
- Increasing health consciousness and concern by consumers about what they put into their bodies, as well as how much.

To reiterate, we believe that the "health decade of the '80s" is seeing more and more people switching, if not entirely out of alcohol, then to lighter drinks such as white liquors mixed with fruit juices.

On the other side of the coin, as American tastes begin to emulate those of Europeans, we expect further increases in the brandy/cognac and cordial/liqueur categories. This may be evidenced by the continuing introductions of new products as well as the increasing ad dollars being spent on these areas, while over-all advertising expenditures by the liquor industry are declining.

Lightness in both taste and proof is what the consumer is moving toward. Based on this, we believe table and sparkling wines should also show upward movement in 1984.

On the list of top-performing brands in 1983, Bacardi maintained its No. 1 position even though its total sales were down about 1.6%. One of the reasons for the decline was that Bacardi could not match the extraordinary performance of October, 1982, in which there was stockpiling in anticipation of a price increase in November.

Smirnoff and 7 Crown retained their No. 2 and No. 3 positions, respectively. Jim Beam moved from No. 6 to No. 4, while Canadian Mist moved into fifth place ahead of Jack Daniel's and V.O. Brands with good gains were Canadian Mist, up 5.5%; Beefeater, up 5%; Ancient Age, up 5%, and Tanqueray, up 7%. Jose Cuervo passed the 1 million case mark for the first time, showing growth of 15%, which was the best growth of the more than 1 million case grouping.

As we indicated above, state and federal governments may pose the biggest hurdles for the liquor industry. The impact of doubling taxation at the federal level (which happened to cigarets) could hurt sales by some estimates by as much as 20% to 40% if enacted.

We expect tighter enforcement of existing drunken driving laws as well as implementation of additional programs to combat alcohol abuse. It is interesting to note that Alcoholics Anonymous is realizing its highest enrollment levels ever.

As far as labeling is concerned, the Federal Trade Commission has been urged to tighten liquor ad restrictions and to consider banning advertisements targeted at youths and heavy drinkers.

The New York City Council recently passed a bill requiring all New York liquor stores, bars and restaurants to post a warning sign to read as follows: "Warning: Drinking alcoholic beverages during pregnancy can cause birth defects."

Licensees have three months to comply with the law. Noncompliance will result in a fine of up to $100.

For the reasons outlined, the outlook for this industry appears uncertain. At best, we believe growth will be relatively flat for the near future.#

Mr. Maxwell is with Lehman Bros. Kuhn Loeb Research.

Top-selling liquor brands

Brands selling more than one million cases

Rank '82	Rank '83	Brand	Company	Nine-liter cases (000) 1982	1983	Change
1	1	Bacardi	Bacardi	8,461	8,327	−1.6%
2	2	Smirnoff	Heublein (RJR)	7,267	7,262	—
3	3	7 Crown	Seagram	5,900	5,500	−6.8%
6	4	Jim Beam	James Beam (AB)	3,840	3,940	+2.6%
7	5	Canadian Mist	Brown-Forman	3,673	3,876	+5.5%
4	6	Jack Daniel's	Brown-Forman	3,894	3,725	−4.3%
5	7	V.O.	Seagram	3,865	3,550	−8.2%
8	8	Windsor Supreme	National	3,515	3,515	—
9	9	Canadian Club	Walker (GWL)	3,440	3,371	−2.0%
10	10	Seagram's Gin	Seagram	3,184	3,200	+0.5%
11	11	Popov	Heublein (RJR)	3,077	3,163	+2.8%
13	12	Gilbey's Gin	National	2,598	2,598	—
12	13	Gordon's Gin	Gordon/Renfield	2,836	2,585	−8.9%
15	14	Kamchatka	National	2,322	2,350	+1.2%
14	15	J&B Rare	Paddington (GM)	2,450	2,271	−7.3%
16	16	Dewar's	Schenley (RA)	2,300	2,230	−3.0%
17	17	Gordon's Vodka	Gordon/Renfield	2,073	2,100	+1.3%
18	18	Black Velvet	Heublein (RJR)	1,979	2,000	+1.1%
20	19	Gilbey's Vodka	National	1,928	1,889	−2.0%
19	20	Early Times	Brown-Forman	1,951	1,868	−4.3%
21	21	Beefeater	Kobrand	1,768	1,856	+5.0%
24	22	Kahlua	Walker (GWL)	1,600	1,630	+1.9%
22	23	Christian Brothers	Fromm & Sichel	1,725	1,620	−6.1%
25	24	Ancient Age	Ancient Age	1,531	1,607	+5.0%
23	25	Cutty Sark	Buckingham	1,618	1,562	−3.5%
26	26	Johnnie Walker Red	Somerset (E)	1,506	1,490	−1.1%
28	27	Ten High	Walker (GWL)	1,472	1,479	+0.5%
27	28	Kessler	Calvert (S)	1,501	1,380	−8.1%
29	29	Old Crow	National	1,391	1,340	−3.7%
30	30	Calvert Extra	Calvert (S)	1,300	1,260	−3.1%
32	31	Old Grand-Dad	National	1,250	1,213	−3.0%
31	32	Southern Comfort	Brown-Forman	1,289	1,204	−6.6%
34	33	Tanqueray	Somerset (E)	1,110	1,188	+7.0%
35	34	Crown Royal	Seagram	1,100	1,150	+4.5%
33	35	Wolfschmidt	Seagram	1,135	1,140	+0.4%
36	36	Jose Cuervo	Heublein (RJR)	874	1,005	+15.0%

Key to parent corporations: (AB) - American Brands, (E) - Esmark, (G) - Glenmore, (GM) - Grand Metropolitan, (GWL) - Gooderham & Worts, (RA) - Rapid-American, (RJR) - R.J.Reynolds, and (S) - Seagram.

Source: Lehman Brothers Kuhn Loeb Research

New product lack squeezes Ronco

By JAY McCORMICK
Crain News Service

The Ronco Inc. subsidiary of Elk Grove Village, Ill.-based Ronco Teleproducts is collapsing under a severe cash squeeze that began more than a year ago.

Three creditors last week took steps to force the company into involuntary Chapter 7 bankruptcy. The company has until Feb. 6 to respond.

A specialty retailer of such items as the Rat Away rodent repeller and the Smokeless Ashtray, Ronco's financial trouble fed on itself.

The company slipped deeper into trouble as symptoms of indebtedness appeared. The less money Ronco could spend on advertising, the fewer products it could sell.

Ronco failed to come up with enough popular new products in time to replace fading sales of former best sellers.

Ronco officials declined to elaborate on the bankruptcy petition, but Ronco reportedly owes $2.2 million to the suppliers involved in the lawsuit, and about $8 million to First National Bank of Chicago and Wells Fargo Bank. Moreover, piecing together financial figures from public sources, it's clear the money squeeze dates back to the 1982 Christmas season.

Retail sales at that time were weak, and for Ronco, which generates 80% of its revenues during the holidays, the weak sales cut deeply into the bottom line.

Ronco reported a loss of $1.8 million in the June 30 fiscal year as sales dropped 31% to $26.6 million.

The shortage of cash snowballed, hampering Ronco's chances of picking up the slack with a strong 1983 Christmas sales period.

For example, Ronco last paid Elmar Plastics, maker of Ronco's CleanAire Machine and food dehydrator—and one of the creditors that put Ronco in bankruptcy court—in September. Bills from advertising media began to go by the wayside soon afterwards.

In October, Ronco hired Los Angeles-based Admarketing Inc. to place commercials in New York and various West Coast markets Says Jack Roth, president of Admarketing, "They didn't pay the bills. Fortunately the orders we placed were only in the $600,000 range, and we were able to cut off [a number of spots bought] before going to that level. They owe us more than $270,000."

Ronco's advertising—generated in-house—"was down about 50% in the fourth quarter," says Bob Hoffman, local sales manager for WGN-TV. "They advertised 21 products during the fourth quarter in 1982 and only three products in 1983."

Without a hot product, Ronco's sales fell sharply even before it got a chance to cut ad spending.

One marketing executive who worked with Ronco said, "All of the things Ronco has been marketing are products whose time has passed."

Ronco chairman Ronald Popeil is the son of Samuel J. Popeil, who was chairman of Popeil Bros., marketer of the Veg-A-Matic and other gadgets.

Popeil Bros. sold out to a Florida turnaround specialist in 1979 after several years of declining sales and net losses.

Ronco is preparing to reply to involuntary bankruptcy proceedings started by Altra, El-mar and New York-based I.V. Hill Corp., a package marketer.#

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Polaroid

(Continued from Page 4)
emergence of fast-processing photo labs, the easy-to-use 35mm newcomers and competition from other leisure-time distractions, including vcrs and home computers.

Indeed, according to Smith Barney analyst Peter Enderlin, over the last five years the entire instant photography business has dropped from a worldwide 1978 peak of 14.3 million cameras sold, 9.4 million of which were Polaroid. He estimates that during 1983 Polaroid shipped 4.1 million units worldwide, with the total market reaching 5.6 million.

Upturn expected

Mr. Enderlin and others predict an upturn, particularly for Polaroid, whose share versus Kodak has reached 75% and is gaining. Nonetheless—and of this Polaroid is most aware—the company *must* find innovative ways to communicate the intrinsic benefits of instant photography.

"The competition for instant cameras is not just other instants," explained Polaroid's Mr. McLaughlin. "We have to make instant photography seem as new and exciting as the day we introduced it. We have to restate ourselves to the consumer."

In the past, Polaroid has done so through award-winning advertising—ranging from the '60s "Meet the Swinger" to the much praised advertising featuring the sometimes sarcastic, sometimes affectionate and often droll banter between actors James Garner and Mariette Hartley.

That effort ran for six years and was so popular that Mariette Hartley was known to sport t-shirts declaring, "I am not James Garner's wife!"

Too much of a good thing can—and did—result, as Polaroid last month retired the Doyle Dane Bernbach-created classic. However, recent negotiations allow for six-month reruns of 1983-produced ads featuring Ms. Hartley.

Decisions postponed

Polaroid is not clear as to what will follow. According to Mr. Johnson, the company is reviewing several tacks, none of which will be decided upon until the warm-weather selling season nears.

One thing is certain: The campaign chosen will be the one most likely to achieve high recall test scores. Over the past several years, Polaroid has augmented the importance of market research and high test scores in evaluating advertising's merit and effectiveness.

The company has increased its marketing research staff in addition to its use of outside consultants in that area.

"Polaroid is now in a conventional package goods testing mode," explained one source close to the company. "Consequently, package goods testing techniques are being considered with great gravity."

Simultaneously, sources say, the company has leaned toward committee—rather than individual and often instinctual—advertising decisions, to the point where insiders joke that the only room now large enough to hold marketing meetings is the boardroom.

Marketing execs leave

There is a reason for this. Since the early '80s, Polaroid has lost a cadre of long-standing marketing executives—many of whom helped create the advertising that put Polaroid on the map. They left for a variety of reasons—ranging from frustration with instant's maturity, to the company's lucrative 1981 voluntary severance program, to the lure of headhunters.

In 1982 alone, the following top marketing executives turned in their Polaroid passes: Richard Young, who until he took early retirement as vp-worldwide marketing was considered a shoo-in to succeed William McCune as Polaroid's president. Mr. Young's successor was Theodore Voss, who left the company in '82 to join Atari where he eventually hired Peter Wensberg, a veteran Polaroid marketing executive. Both men since have left Atari.

"It's very simple to describe," said a source. "As people left, they were not replaced one-on-one. Consequently, there was a steady progression from a few highly authorized people making marketing judgments to a widening of authority."

The upshot? Infinitely longer review processes and a growing dependence upon research—a bane to ad agency DDB, which has undergone frustrating months of trial and error; most notably, no 1983 campaigns achieved satisfactory recall testing, something that might not have mattered so much in the olo days (AA, Dec. 12).

"The importance of research, the amount of time involved, the number of people making suggestions, all of these things have compounded to make the advertising job much more difficult," agreed another source. "It's not distinctly a Polaroid problem," he added. "It's just that it came at a time when their business became so precarious that they needed more than ever to have strong central management."

This decision-making vacuum may have been remedied by Mr. Johnson's assumption of the new title, vp-worldwide advertising. "We needed one individual to look out for *all* the advertising, and that's where Carl comes in," Mr. McLaughlin agreed.

One of his earliest tasks at Polaroid was to choose an agency for the consumer introduction of the videotape line. At the time of the selection of Ogilvy & Mather in December, Polaroid management attributed the choice to the need for DDB to concentrate on the troubled instant camera and film business.

While sources have confirmed that Polaroid is being careful not to dilute DDB's talent and manpower with incremental business, they note that the selection resulted, to no small degree, from the known Ogilvy & Mather ability to conceive and implement creative ideas that are guided by certain objective parameters of market research.

Polaroid watchers point to this as an indication of the prevailing thinking in the company's Cambridge, Mass., headquarters that is not expected to change anytime soon.

Reaction mixed

Analysts are mixed in their sentiments: While applauding the company's marketing orientation and open-mindedness to acquisitions and partnerships—not to mention the superior quality of its instant system—some analysts worry that all the flash, fun and cutting edge innovation will leave Polaroid; that its creativity will flounder.

"The company is much more risk-averse than it used to be," said Morgan Stanley's Brenda Landry. "Polaroid is still a very creative company in the research and development sense, but in the marketing sense I think they've lost something, which is not to say they can't get it back."#

Dolls show dilly of a recall

Remember Cabbage Patch Dolls? Consumers last month certainly recalled advertising for them.

The 10 advertisements most frequently recalled (regardless of category) in December included two surprise, first-time entrants. Cabbage Patch Doll advertising ranked sixth, ahead of such familiar names as Burger King and Budweiser and tied with McDonald's.

Want ads/classified advertising ranked fifth, behind Coke, Miller, Pepsi and Stroh's. Consumers probably were looking through their newspapers hoping to find someone willing to part with a Cabbage Patch Doll.

There were additional significant changes in last month's survey results:

- Pepsi-Cola, which in November had almost pulled even with Coca-Cola, slipped back. Pepsi's share of first mentions in the **soft-drinks** category dipped 3.2 percentage points to 22.8%. Coke remained No. 1 with 29.4%.
- Tylenol continued to lose awareness in the **medicine & drugs** category. After dropping 4.5 points in November, the category leader lost another 5.2 points. Still its 27.2% share of first mentions in December was far ahead of No. 2 Anacin (7.4%) and No. 3 Bayer (4.6%).
- Another constant leader showing slippage was Tide. Awareness of its advertising dipped 4.8 points in December. But it still dominates its category, **laundry products**. No. 2 Cheer (5.3%) and No. 3 All (3.6%) also declined slightly.
- Del Monte dropped 3.1 points in the **canned foods** category, a group that had not seen a significant change since June, when Del Monte registered a like decline. Its 8.8% share of responses in December kept it second to Campbell's (15.6%).#

Tops in '83 ad awareness

(Continued from Page 3)
Tide and Tylenol.

Significantly, over-all advertising awareness rose during 1983. In 16 of the 18 product categories that are surveyed, the percentage of total responses represented by the top five advertisers was greater in December than it had been in January.

In part, this may reflect the increased attention paid to advertising for some products as Christmas approached. But in categories such as fast-food and beer, this rise no doubt reflects the sharper, often comparative, commercial strategies being used.

Nine of the 18 product categories last year had dominant advertisers that were the most frequently recalled in each of the 12 monthly surveys. Advertising for two of the nine was particularly well remembered.

McDonald's advertising had the greatest top-of-mind awareness of any product last year. On average, 43.3% of respondents named Big Mac when asked to recall advertising for a fast-food restaurant, more than double the average for runner-up Burger King (18.5%).

But even McDonald's doesn't dominate its product category as does Tylenol in the medicine and drugs group. Tylenol's advertising averaged 33.7% of first responses for the year, while its closest challenger, Anacin, could muster only 6.8%.

The other advertisers that led their categories wire to wire in 1983 were Atari (home electronics), Birds Eye (frozen foods), Campbell's (canned foods), Ford (cars and trucks), Kodak (cameras and equipment) and Tide (laundry products).

The most unpredictable category was cosmetics and fragrances. Over the year, the leadership position for recall changed hands seven times. Avon, Maybelline, Estee Lauder and Charlie were all No. 1 in the category at least once in 1983.

AdWatch is a joint project of Advertising Age and SRI Research Center, Lincoln, Neb. Each month 1,250 consumers are surveyed by phone and asked to name the first advertisement that comes to mind (over-all and in 18 product categories) from all seen, heard or read in the previous 30 days.#

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Advertising Age

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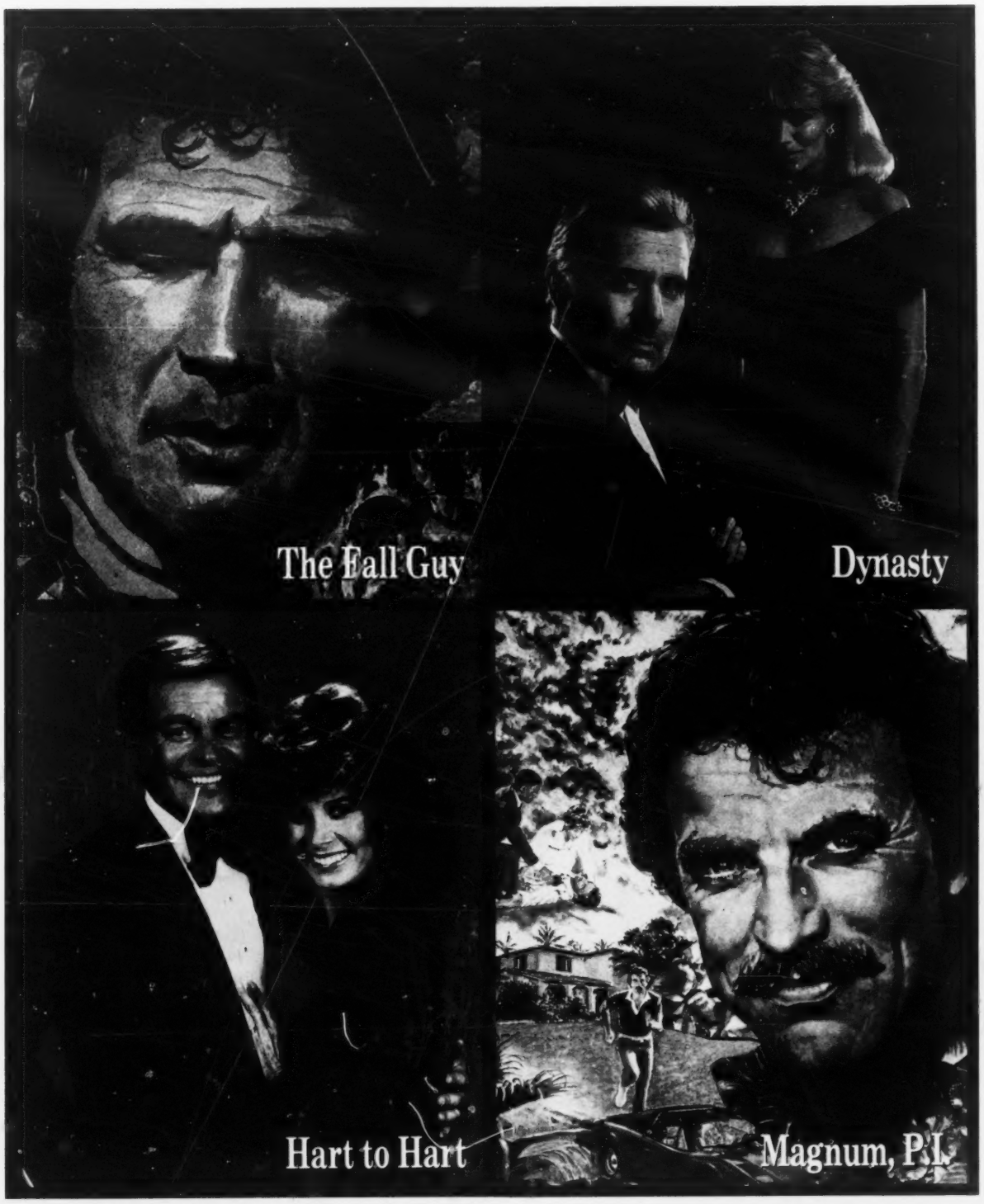

Profits increase

'Money' magazine's late-blooming success story keeps unfolding

— Page M-4

Corporate CloseUp

L'Oreal's U.S. licensee takes a giant step in cosmetics

— Page 4

Forum

Lewis H. Lapham on solving the information glut

— Viewpoint section

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- Jackson may sue; Pepsi spots still on — Page 6.
- Tire marketers on a roll to upgrade — Page 54.

Marketers go for gold at Winter Olympics

Winter Olympics network ad spending
Feb. 7 to Feb. 19

More than $15 million
AT&T

$15 million
Chevrolet

$10 million
Beatrice
K mart

$3 million - $5 million
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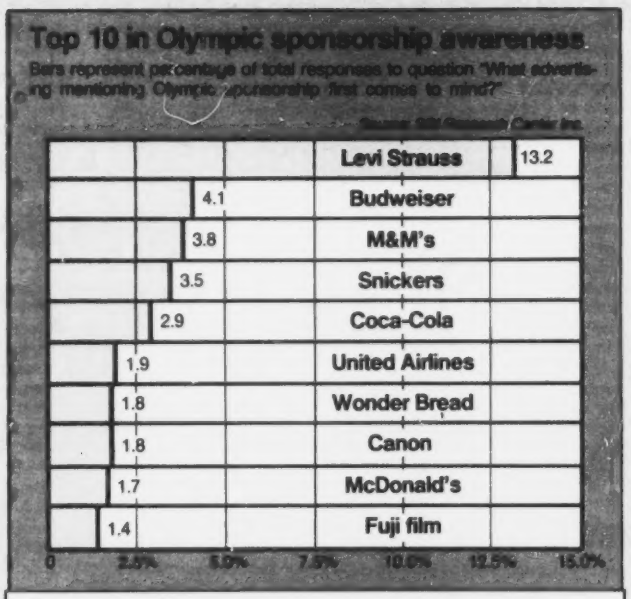
U.S. Tobacco
Wang Laboratories
Xerox

Source: ABC



Marketers' tie-ins paying off already

By SCOTT HUME

Critics may deride this year's Olympics as the "corporate games," but consumer reaction to advertiser sponsorships and tie-ins is decidedly friendly.

According to an exclusive survey conducted for ADVERTISING AGE, the payback on businesses' corporate investments in the Olympics began before the Olympic torch entered the arena and before some sponsoring companies have begun running advertising capitalizing on the relationship.

For example, a third of the 1,253 adults polled by phone during December said they would be inclined to buy a specific brand or product simply because its marketer is an Olympics sponsor or supplier.

The strength of that support holds fairly steady across all demographic divisions, with slightly more female respondents (36%)

(Continued on Page 60)

Allstate's campaign tells America to shape up and save on insurance costs.

Allstate jumps at fitness

By TERESA H. BARKER

NORTHBROOK, ILL.—Allstate Insurance Co. hopes to tap the aura of good feelings surrounding the 1984 Olympic Games with a new advertising campaign that tells America to "shape up and save" on Allstate insurance premiums.

The campaign, budgeted at nearly $30 million for the year, salutes athletes "going for the gold" at the Olympics.

Commercials urge everyone else to "go for the green" and save money on Allstate insurance by improving their physical fitness and home security, as well as by maintaining good driving records.

Allstate already offers discounts and preferred rates on home and auto insurance, and now will expand the discount up to 35% on term life insurance and bring all three insurance products under a common positioning theme.

"We're telling the people to do some things that are good for themselves and we're offering, in a way, a reward if they do," said John Fiedler, assis-

(Continued on Page 60)

NH&S returns to Hollywood, eyes Embassy

By BOB MARICH

HOLLYWOOD—Needham, Harper & Steers has created an entertainment division here, and it is poised to take on Embassy Pictures as a client.

The new unit, called NH&S/Entertainment, will operate in Los Angeles and New York. Former Embassy and Universal Pictures marketing executive Neal Lemlein has been named vp-management director.

Embassy exec vp-marketing David Weitzner was unavailable for comment, but sources strongly suggest that the Norman Lear studio, which has been looking for an agency, will be the new unit's first client, given Mr. Lemlein's long ties with Mr. Weitzner.

Embassy is expected to announce its selection this week.

Mr. Lemlein was at Doyle Dane Bernbach when that agency handled 20th Century-Fox Pictures during Mr. Weitzner's tenure as a marketing head there. Mr. Weitzner subsequently moved to Universal, bringing Mr. Lemlein to that studio with him.

Most recently, Mr. Lemlein was vp-management director at Foote, Cone & Belding's entertainment unit, which resigned Embassy late last year. FCB quit the estimated $5 million Embassy account to jump to Orion Pictures, whose spending is estimated to be around $35 million.

NH&S/USA exec vp (and corporate director-media and programing) Richard C. Anderson also is involved in the management of NH&S/Entertainment. His background includes a stint at Kenyon

(Continued on Page 58)

Coke pays big price for 'Dr. J' house call

By ROBERT RAISSMAN

Coca-Cola USA has signed Philadelphia 76ers forward Julius (Doctor J) Erving to one of the largest product endorsement contracts ever given an athlete for activities outside the sporting arena.

A spokesman for Coca-Cola USA declined to confirm or deny the deal, but sources close to Mr. Erving and his agent, Irwin Wiener, said "the Doctor" will receive $2.5 million in return for his services in both commercials and personal appearances through 1988.

Seven-Up Co. used athletes extensively for a number of years, with such endorsers as Sugar Ray Leonard, Jim Plunkett, Earvin (Magic) Johnson and Wayne Gretzky.

Sources said that most of the athletes who have done 7UP spots received from $12,000 to $25,000 per year. Sugar Ray Leonard, sources said, received between $50,000 and $75,000 per year for his 7UP work. Mr. Erving's $500,000

(Continued on Page 58)

last minute news

Miller doles out 'exploratory' work on High Life

MILWAUKEE—Miller Brewing Co., a unit of Philip Morris Inc., has given "exploratory creative assignments" on its more than $50 million Miller High Life beer account now at Backer & Spielvogel to a number of agencies it declined to identify. However, sources indicated that Leo Burnett USA, agency for Miller Special Reserve, and Doyle Dane Bernbach, a PMI cigaret agency presently without a beer brand on its roster, plus Ogilvy & Mather, New York, are involved. O&M's San Francisco office handles Blitz-Weinhard, a Pabst subsidiary. In addition, O&M Partners recently gained Guinness-Harp Corp.'s Harp, Guinness and Bass brews.

RJR stockpiles support for Sterling rollout

WINSTON-SALEM, N.C.—R.J. Reynolds Tobacco Co. has budgeted heavily for the imminent national rollout of Sterling Special Blend luxury cigarets in a black box. Sterling has been testing in Florida (AA, Nov. 14); Ted Bates Advertising/New York, handles.

Disney moves $10 million to Della Femina

BURBANK, CAL.—Walt Disney Productions has assigned its motion picture advertising account to Della Femina, Travisano & Partners, New York

(Continued on Page 8)

Frito lays it on thick for chips

By TOM BAYER

DALLAS—Frito-Lay will break a $25 million ad campaign on the network tv premiere of the movie "Arthur" tonight, launching O'Gradys brand extra-thick potato chips nationally after a one-year test in Omaha (AA, Jan. 30).

Hailed by the PepsiCo subsidiary as the largest new-product launch in its history, the effort will include on-air presence for 40 weeks this year as well as heavy couponing.

Three 30-second spots, created by Foote, Cone & Belding, New York, are intended to present a "heartland, hearty, wholesome, middle-America, hard-working image" with a theme that describes O'Gradys as the "more potato, potato chip." It comes in au gratin and regular flavors.

Flavor and crispness are the main selling points for O'Gradys, which Frito vp-marketing Leo Kiely said lends itself to line extensions for any other flavor that consumers might associate with potatoes.

While O'Gradys will be compared to Frito-Lay's Ruffles potato chips—the leading chip on the market today according to the company—it is said to be more

(Continued on Page 62)

ATW picks up Wella account

By PAT SLOAN

Following an agency search that lasted for more than a year, Wella Corp. has chosen Advertising to Women, the agency that built its haircare reputation on Gillette Co.'s Silkience account.

The Englewood, N.J., marketer of Wella Balsam shampoo and conditioner claims to be the third-largest haircare company in the world with sales of over $700 million, but sales of its products in the U.S. have been under severe pressure from competition.

Peter Haberstock, Wella chairman, said: "We are joining forces with Advertising to Women because we have seen what they can do: They are the proven experts on women, and proven experts on the hair cosmetics market."

ATW estimates previous Wella billings in the U.S. to be between $6 million and $10 million, and says future billings and marketing plans have yet to be decided. Last year it was reported that spending on the Wella account had dropped from $6 million to $4 million.

Wella had been at Creamer Inc. but only briefly, after that agency acquired the former James Neal Harvey Inc.

ATW's gain of Wella comes on the heels of its loss of $20 million in Gillette billings last December (AA, Dec. 12). At that time, the Boston-based personal care marketer announced its decision to pull out "following a review of the tax proceedings in which Advertising to Women's former chairman [John Ernst] was involved in a fed-

(Continued on Page 62)

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The Sheer Satisfaction of Understanding World Events Instead of Merely Knowing About Them.

Business Day: Why We're Faster, Slower and More Interesting

LIVING

The Sunday Edition.

The New York Times

Much more of the world, much sooner.

A fun read

"Much more of the world" is the slogan the *New York Times* is using for a circulation promotion test of its national edition. It is the first work from new agency Bozell & Jacobs. The slogan is separate from the "These times demand the *Times*" theme used for the paper's regular edition. (See story, Page 10.)

New entrants crowd tv syndication

By DIANE MERMIGAS

If there is one clear note that emerges from the dissonance of issues facing the National Assn. of Television Program Executives international convention this week in San Francisco, it is that the syndicated-tv industry is in the throes of change.

While broadcasters and program suppliers hold their breath to see which way the wind from Washington blows on controversial issues such as changes in the financial interest and syndication rules, they are faced with a myriad of new developments that, throughout the 1980s, promise to reshape the way they do business.

For example, increased numbers of individual stations and major station groups are banding together to produce and exchange their own programing to sidestep what they believe has become overpriced and homogenous first-run and off-network syndicated fare.

No one is certain to what extent such activity will erode an already fluctuating syndication marketplace.

"Co-ops are being formed out of economic necessity," says Phil Corvo, NATPE executive director. "I think they are the way of the future. They represent the most efficient use of talent and resources."

Many major studios, production companies and broadcast groups also are joining forces to produce the kind of original programing they say fills the voids in the syndication arena.

Last year witnessed such new-business marriages as Metromedia and TelePictures, and another effort headed by Gaylord Broadcasting Co., Taft Broadcasting Co., Tribune Broadcasting Co. and Chris-Craft Industries.

British, Canadian, Australian and South American producers also are rushing to fill the program voids in the U.S. marketplace, as witnessed by the increase in foreign exhibitors this year.

Even domestic cable operators are beginning to view the dearth of diversified syndicated programing as a new revenue-generating opportunity. Viacom, for instance, this year is offering the first off-cable series, "Bizarre," which is 100 half hours of satire and comedy (AA, Jan. 30).

Home Box Office and Showtime are among the large cable outfits that have begun peddling their made-for-cable movies for commercial syndication.

"There is a general feeling this year that there is a shortage of good programing available and that the three notable categories represent too little creativity and too high a price," says Stan Marinoff, NATPE president and general manager of WISN-TV, Milwaukee. "It used to be that 10% cost increases were not out of line, but now they are 20% or more."

Game shows are enjoying a healthy renaissance due primarily to the huge ratings success of "Wheel of Fortune" (AA, Jan. 9). Music video is another new principal program category that takes its cue from the recording industry.

The third major group of new

(Continued on Page 64)

highlights

Monday, February 6, 1984

Southland Corp. is rolling its Epic house-brand cigaret into markets across the country. *See Page 6.*

The mood was upbeat at the annual convention of the International Newspaper Advertising & Marketing Executives. *See Page 10.*

An Assn. of National Advertisers survey of its members indicates a downward trend in tv and radio commercial production. *See Page 12.*

Campbell Soup Co. and *People* have completed a study showing that more men are influencing food purchases. *See Page 12.*

Metromedia chairman and president John W. Kluge moves closer to accomplishing his proposed leveraged buyout of the company. *See Page 12.*

Nicorette chewing gum, the first approved nicotine-based smoking deterrent, readies its marketing strategy. *See Page 26.*

XL, the men's magazine created for convenience stores last year, appears to have found its niche. *See Page 44.*

Rubbermaid will be extending the durability theme used in its last campaign when it adds a new tag line to ads for its consumer products. *See Page 46.*

Atari will shift its marketing emphasis toward the consumer under the leadership of new chairman-chief executive officer James Morgan. *See Page 47.*

CORPORATE CLOSEUP

Cosmair Inc.'s acquisition of Warner Cosmetics last month puts the U.S. agent and distributor for L'Oreal and Lancome cosmetics within striking distance of its major competitors here. *See Page 4.*

INTERNATIONAL

Sarajevo will feel the promotional power of U.S., European and Japanese marketers during the two weeks of the Winter Olympics starting tomorrow, but the Yugoslav organizers of the event are not feeling it as much as they had hoped. *See Page 32.*

If McDonald's Corp. decides to tackle the restaurant business in Istanbul, more than three million Turks will be ready. The company told security analysts last fall that Turkey is one of several new European markets it may eventually add to the 13 it now operates in. *See Page 34.*

McCann-Erickson Thailand will begin a two-pronged family planning campaign here the end of March, but the agency will find it difficult to match the results of the world's most successful birth control program. *See Page 35.*

VIDEOTECH

Tv syndicators are offering stylish first-run series that focus on "the good life." *See Page 36.*

Netcom International is moving into the satellite delivery business for syndicated tv programs. *See Page 37.*

MAGAZINE

Money, after years of struggling to establish itself, has become a money-maker for Time Inc. *See Page M-4.*

Tv syndication: Through its production and distribution prowess, this billion-dollar segment of the tv business has provided the networks with a force to contend with. *See Page M-11.*

"Concentrated/Full Frequency": It's a business-to-business ad executive's system that is designed, he says, to improve advertising effectiveness. *See Page M-32.*

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Vol. 55, No. 6—ADVERTISING AGE (ISSN 0001-8899) is published weekly except semi-weekly the last week in March, the second week in September at 740 Rush Street, Chicago, IL 60611. Second-class postage paid at Chicago and additional mailing offices. Send address changes to ADVERTISING AGE, Circulation Department, 740 Rush Street, Chicago, IL 60611.

Microfilm copies are available from University Microfilms, 300 N. Zeeb Rd., Ann Arbor, Mich. 48013. Microfiche copies are available from Bell & Howell, Micro Photo Division, Old Manafield Rd., Wooster, O. 44691.

No market shifts in EDB scare

By JANET NEIMAN

New guidelines for ethylene dibromide (EDB) content in food products are likely to have a negligible effect on marketing strategies for the affected products, despite consumer concern over the safety of grain-based products with traces of the pesticide.

The standards, revealed Feb. 3 by the Environmental Protection Agency, will mean most grain-based products can remain on store shelves, and most of the grain supply will not be affected, unless individual states decide to enforce more stringent limits.

The Florida Department of Agriculture, which set in motion a series of state bans against products containing EDB, immediately adopted the new EPA standards, which are far weaker than the state's earlier standards.

EPA is recommending that ready-to-serve products have no more than 30 parts per billion of EDB; that processed grain, including mixes, have no more than 150 parts per billion, and that raw grain have a maximum of 900 parts per billion.

The establishment of standards for EDB in foods comes after more

(Continued on Page 58)

Lucrative formula yields supply of success

Syndicators take different roads, but reach same plateau

By Mark Wolf

Henry Siegel took his daughter Leigh, then 6, to a rock concert at Madison Square Garden in 1976. During the performance of Sha Na Na, a band that recreated hits from the 1950s, Leigh turned to her dad and said, "Do you know what that is? It's 'Happy Days' to music."

"You don't see 200-episode shows going into syndication . . . networks aren't keeping them on the air that long."

A light went on in dad's mind, a pilot was produced and "Sha Na Na," the syndicated tv show, eventually ran for six years first-run in more than 150 markets. It also put Lexington Broadcast Services and its chairman, Mr. Siegel, on the syndication map.

Lexington's route is but one way the industry's successful program suppliers have taken to syndication heights. Looking down the roster of suppliers, you get the suspicion there really is no formula for success. Syndication businesses have been built on disparate foundations.

Some of today's major players grew as offshoots of major motion picture studios. Others, like Lexington, found success in one or a handful of shows, giving them the wherewithal to expand their businesses. A few have specialized in certain program types —cartoons, for instance.

However syndicators establish themselves in the industry, there can be no denying that there is considerable lucre available. No one knows quite how much, but the National Assn. of Television Program Executives (NATPE) has undertaken a comprehensive survey to determine the gross and net figures for domestic and international syndication for 1983.

One indication of the money at stake is an unofficial, but generally accepted, figure that 247 companies sold $220 million worth of programing during 1983's five-day NATPE convention.

The upcoming NATPE survey, expected to cost less than $100,000, is scheduled to be released at the NATPE convention in San Francisco this week. "Everybody's very jealous of their own figures, and there's a question about whether they're inflated or not," says Bob Bernstein, president of March Five, public relations representative of NATPE. "The organization thinks it has come up with a way to get the figures and protect everyone's anonymity."

While the business can be lucrative, it also has its pitfalls, not the least of which is the high mortality rate of syndicated properties.

Each year syndicators hail their newest programing breakthrough or a "can't miss" network show available for syndication. Of the 70 first-run syndicated programs piloted in 1982 to 1983, only a handful remain. All of you who remember "Soap World," "Larry King," "Madame's Place" and "Lie Detector" should raise your hands. Fifteen major first-run shows made it to fall, 1983, premieres, but odds are that few will return for a second season.

The successful companies, however, do manage to build upon the success of their properties. The following is a look at how four syndicators built themselves up on different foundations—one of the oldest movie factories in Hollywood (MGM/UA), a group of 1950s musical imitators (Lexington), a low British comic with buxom playmates (D.L. Taffner/Ltd.) and a man who prowls a studio audience soliciting impolite questions of guests (Multimedia).

D.L. Taffner/Ltd. will produce new episodes of "Too Close For Comfort," the comedy series starring Ted Knight that was canceled by ABC last year.

MGM/UA

"Thicke of the Night," the comedy-variety late-night strip starring the Canadian comic/singer Alan Thicke, was the highest-profile syndication launch of 1983. A joint venture (with a $250,000 weekly budget) by Fred Silverman, Metromedia and MGM/UA, "Thicke" was aimed at a younger audience than is drawn by network late-night fare.

Even though its early ratings were disappointing, MGM/UA Entertainment president Larry Gershman retains "high hopes" for the program. The show itself has been renewed for a second season, albeit with a reduced staff.

"A show like that needs time to find itself and settle in," says Mr. Gershman. "Certain people in the repertory company we've used we'll concentrate more on, others less on. Some of them won't continue with the show. More recently the show has gotten closer to what we wanted it to be, it is finding an audience."

Regardless of the long-term success of "Thicke," Mr. Gershman says the "message is very clear to the network that they're going to have to develop something for late night or they're not going to have an audience."

The significance of first-run syndicated programing has increased in recent years because of the relative lack of long-running network series. That suits MGM/UA just fine.

"You just don't see those 200-episode shows going into syndication anymore because the networks aren't keeping them on the air that long," says Joe Tieranado, president of MGM/UA domestic syndication. "We saw that coming several years ago and it's very obvious in what we're doing with 'Fame' and 'Thicke of the Night.' It's easy to see the need for first-run syndication."

In addition to "Thicke" and "Fame," MGM/UA is active in every avenue of syndication. Such off-network shows as "CHiPs" and "Gilligan's Island" "are doing remarkably well," says Mr. Tierando.

Besides selling these and other shows to individual stations, MGM/UA also supplies programing to other syndicators. Lexington Broadcast Services, for instance, has acquired 12 MGM/UA releases for its "LBS Movie of the Month" series.

The company also has the largest cartoon library in the world (including "Tom and Jerry" and "The Pink Panther") and 4,000 to 6,000 feature films in active release at all times, plus 10,000 more in its library. MGM/UA's latest movie package, which includes "Rocky," "Rocky II" and "2001: A Space Odyssey," is "the highest-grossing first-run off-network package every released," says Mr. Tieranado.

Lexington Broadcast Services has made a success by using the barter system with shows such as "Family."

Lexington Broadcast Services

Referring to the syndicated series that made Lexington Broadcast Services a staple in the syndication community, Mr. Siegel says: " 'Sha Na Na' wasn't much different from the 'Muppets.' You had 10 characters doing music and comedy bits, plus guest stars with a very fast-paced look. Personally, I don't think it had anything to do with nostalgia for the '50s. It was the humor and the characters."

Mr. Siegel obviously has an eye for what makes programing successful. Since "Sha Na Na," LBS has added a number of popular shows to its stable of syndicated programing. Virtually all of Lexington's business has been in barter, in which stations receive programs free and the syndicator retains several minutes of commercial time for national sale.

LBS syndicates off-network shows, including "Family" and "LBS Movie of the Month," which has cleared 118 markets and 83% of the country, and a variety of children's specials, mainly merchandising tie-ins with toy manufacturers: Straw-

Profits that can't be seen

If no one is quite sure of the scope of the syndication business, there is uniform industry acceptance of one point—the business exploded when Paramount began using blind bids on a mass scale to sell "Happy Days" in 1976.

"Happy Days" followed "The Brady Bunch," "Mary Tyler Moore" and "M*A*S*H" into the syndication marketplace, but with a crucial difference. The late Dick Lawrence, then head of Paramount syndication, wired messages to stations in each market asking for blind bids on "Happy Days."

Because stations were competing with each other and not negotiating price with a salesman, the winning bids were much higher than had ever been paid before and the lid was blown off the top of the price structure.

"We are into about 175 markets with 'Happy Days' now and we [wired] the first 125 or 130 of them," said Bob Jacquemin, senior vp-sales at Paramount. "To me it's the fairest way to distribute a show because the highest bidder gets it, period."

Mass-market blind bids are common for every blockbuster off-network show, culminating in the record prices (a reported $120,000 per episode in Los Angeles) for "Magnum, P.I." reruns, which will be available in 1986.

Such off-network programs as "M*A*S*H" and "The Jeffersons" brought big audiences with them into syndication, but high network ratings and critical acclaim are no guarantee of syndication success.

"The Mary Tyler Moore Show," for example, did a syndication nosedive after years as one of television's most successful and acclaimed shows. A theory cited by several syndicators is that children tend to control the late-afternoon time periods in which "MTM" usually aired in syndication, and they aren't a receptive audience for such a "smart" comedy.

First-run syndication is the flip side of off-network product and such early television heroes as Broderick Crawford in "Highway Patrol" and Lloyd Bridges in "Sea Hunt" (whose shows were produced and distributed by syndicator Frederic Ziv in the mid-1950s), were the spiritual godfathers of such disparate 1980s syndication stars as Phil Donahue, Alan Thicke and Judge Wapner of "The People's Court." —*M.W.*

Mark Wolf is tv critic with the Charlotte *(N.C.)* Observer.